



Grants Policy Bulletin HHS Salary Rate Limit

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Related Bulletin(s): Replaces 2024-01E Salary Rate Limitation

Issued by: Office of Federal Assistance and Acquisition Management (OFAAM)

Purpose

This grants policy bulletin informs HRSA recipients of changes to the [Office of Personnel Management's \(OPM\) Salary Table](#) for Level II Executives and a change in HHS policy on applying the salary limit. This changes the rate and calculation of salary that HHS recipients may pay from award funds.

Background

Through annual appropriations, Congress limits the salary amount an individual may be paid from HHS grants and cooperative agreements. Recipients may not use grant funds to pay salary at a rate more than the Executive Level II. For 2025, this was communicated in [Executive Order 14132 and reflected in the Office of Personnel Management's Salary Table](#).

On October 1, 2024, HHS revised the [HHS Grants Policy Statement \(GPS\)](#) to clarify that the salary limit applies to "*both direct and indirect costs* under applicable HHS awards."

Implementation

HRSA will not award funding for salaries that exceed the limit. For staff whose salary rates exceed Executive Level II, recipients may pay the excess from non-federal funds. If applicable, recipients may rebudget to reflect the increased salary limit. HRSA will not provide supplemental funding to increase salaries. The salary limit also applies to sub-awards and subcontracts. Recipients are responsible for monitoring subrecipient and subcontractor compliance.

OFAAM will no longer issue an annual Grants Policy Bulletin that communicates the changes to the salary limitation. Instead, HRSA updates the [Salary Cap Table](#) on the Manage Your Grant webpage when the limit changes. This change usually occurs in January. Recipients should continue referring to these documents and the available resources for updates.

Resources

- [HHS Grants Policy Statement \(GPS\)](#)
- [Salary Cap Summary Table](#)
- [HRSA General Terms and Conditions](#)

Inquiries

If you have questions about the HHS salary limit, please contact the HRSA Project Officer and/or Grant Management Specialist named on your Notice of Award.